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O F F I C E   O F   N A T I O N A L   E S T I M A T E S

14 October 1954

STAFF MEMORANDUM NO. 73-54

SUBJECT: Significance of the Sino-Soviet Communiques of 11 October 1954

1. The Sino-Soviet agreements published in the 11 October communiques appear to be a formalization of recently evident developments in both Sino-Soviet relations and Communist Far Eastern policy. On the one hand, the communiques constitute an acknowledged adjustment of Sino-Soviet relations to the realities of Communist China's power position. On the other, they are a formal reflection of a basic decision on the part of Moscow and Peiping, already evidenced in their closing out of the Korean and Indochinese wars, to lessen the dangers of expanded hostilities, and to concentrate on internal build-up and an essentially political offensive against the non-Communist Far East, Japan in particular.\*

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2. Sino-Soviet relations. The concluding of new, published agreements at this time is in line with previous Sino-Soviet practice, in that earlier accords were announced in 1950, following the Communist regime's civil war victory in China, and in 1953,

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\* We recognize that the Chinese Communists will not fail to support subversion and armed rebellion in Asia where expedient.

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following the Korean Armistice; also, the USSR and Communist China have in every instance appeared to negotiate on a great power to great power basis.

3. However, these most recent agreements are unique in that their content and broad scope represent a formal acknowledgment of a higher, and publically equal, Chinese status within the Sino-Soviet partnership. This higher Chinese status has been implicit since the death of Stalin in many Soviet actions. The new agreements, reached in Peiping during the ceremonial visit of Khrushchev and other of the highest Soviet officials, make this existing point more explicitly. "Equality" is repeatedly stressed. The content of earlier Soviet statements is repeated to the effect that Communist China is now one of the world's "big five," and is entitled to all the privileges and powers relating thereto. Moreover, the text places its blessing on Peiping's recent "five-point" gambit with respect to China's relations with non-Communist Asian countries. The Soviet withdrawal from Port Arthur also testifies to China's higher status, for even though Soviet withdrawal was promised earlier, the USSR is here giving up control of territory which has had great historic and strategic value for Russian governments. Lastly, the transferring to Peiping of Soviet interests in four joint-stock companies differs from seemingly similar Soviet actions in Eastern Europe in the past year, in that the USSR is giving up its interests

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in all and not just some of the known companies of this type; furthermore, these particular China companies (rare metals, oil, airways, and ship repair) are believed to have been instruments of Soviet political influence.

4. Both the wording and the method of announcing of the communiqus suggest a conscious effort to give the Sino-Soviet partnership, to outer view, an appearance of monolithic sweetness and light. The text stresses this theme throughout, stating in particular that the heretofore close cooperation of Moscow and Peiping has moved on to an even greater collaboration, one of "complete unity of view." The publishing of these agreements shortly after Khrushchev's arrival appears designed to carry the impression that they were quickly and easily arrived at, and were not, as in previous cases, agreed to only after long, known negotiations. Whether or not these most recent agreements closed differences which may have existed in Sino-Soviet relations, they do appear a reflection of Communist sensitiveness and desire to allay indications gained by the outer world at Geneva and subsequently of minor tactical differences between Moscow and Peiping.

5. Although we have no evidence that Peiping has been prodding Moscow for increased political and economic support, the content and procedure of the communiqus suggest that this may have been the case. The Chinese are believed to have been less than delighted with the existing level of Soviet economic aid. This probable dissatisfaction,

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added to more recent Chinese Communist assertiveness in international affairs since Geneva, may have created pressures on Moscow to make certain of the concessions to the Chinese reflected in the communiquees. In this respect, it is conceivable that a by-product of the Chinese Communist campaigns against Taiwan and the offshore islands may have been that of increasing Peiping's bargaining position with its senior partner.

6. Lastly, the agreements on the Lanchow-Alma Ata Railroad, the Mongolian Railroad, and increased Soviet economic assistance to China confirm a number of existing long-range efforts on the part of Peiping and Moscow to strengthen the Sino-Soviet strategic position in the heart of Asia.

7. Communist Far Eastern policy. Since Korea and especially since Geneva, Moscow and Peiping have been attempting to expand Communist influence in the Far East by primarily political instead of military means, apparently in the belief that such a course would in time gain them their objectives without risking war with the US in the process. This evident change in Communist policy is formalized by the Soviet withdrawal from Port Arthur, and by the explicit statement in the text of a changed situation in the Far East caused by China's increased defense potential and by the end of the Korean and Indochinese wars.

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8. This change of tactics is highlighted in the text with respect to Japan, reflecting an evident Sino-Soviet policy of the last year of concern for Japan's potential strength, but of anticipation that Japan's present orientation can be undermined by Communist bloc inducements. As contrasted with 1950 Sino-Soviet alliance, aimed specifically at Japan, the text berates the US while holding out the economic and diplomatic (green) olive branch to Tokyo. The withdrawal from Port Arthur has especial significance in this regard, in that it is in a sense a "best offer" to Japan second only to an impossible blotting out of the anti-Japanese text of the 1950 alliance, and is a sort of apology for the 1952 Soviet decision to hang on to Port Arthur because of the still existing "Japanese threat."\* The new approach is designed to exploit Japan's unique fear of nuclear war by promising settlements if Japan will cut its ties with the US.\*\*

9. Lastly, the text's treatment of Taiwan appears to have major significance. The text attempts to embarrass the US by

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- \* The wording and out-of-context nature of the short paragraph in the text on the "anxiety among the peoples of Asia and the Far East" caused by Japan's position, suggest that this paragraph may have been inserted to mollify Peiping.
- \*\* Acting Prime Minister Ogata, 12 October, called this Communist offer a "peace offensive" maneuver, stating that Japan had no intention of altering its orientation.

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reiterating Communist claims that the US is "occupying" part of Communist China's rightful territory and is preventing Peiping from "lawfully" assuming China's seat in the UN. It is probable that subsequent Communist diplomacy and propaganda will attempt to exploit the seeming difference between Soviet withdrawal from Port Arthur and continued US commitments to Taiwan. The text is especially significant in that it does not mention "liberation" of Taiwan, in so doing reflecting an apparent reluctance on the part of the USSR fully to underwrite Peiping's previously stated ambitions in this respect. The wording of the text and of the most recent Chinese Communist propaganda broadcasts concerning Taiwan suggest the possibility that Communist China does not itself intend, or has been so advised, not to carry out its announced threats with respect to the "liberation" of Taiwan.

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